

**THE INSURANCE CODE OF 1956 (EXCERPT)**  
**Act 218 of 1956**

**500.835 Valuation of individual annuity and pure endowment contracts; minimum standard; notice of election to invoke section; failure to make election.**

Sec. 835. (1) Except as provided in section 836, the minimum standard for the valuation of all individual annuity and pure endowment contracts issued on or after the operative date of this section, as defined in subsection (2), and for all annuities and pure endowments purchased on or after that operative date under group annuity and pure endowment contracts, shall be the commissioners reserve valuation method defined in section 834(2) and (3), and the following tables and interest rates:

(a) For individual annuity and pure endowment contracts issued before October 1, 1980, excluding any disability and accidental death benefits in these contracts, the standard shall be the 1971 individual annuity mortality table, or a modification of this table approved by the commissioner, and 6% interest for single premium immediate annuity contracts, and 4% interest for all other individual annuity and pure endowment contracts.

(b) For individual single premium immediate annuity contracts issued on or after October 1, 1980, excluding any disability and accidental death benefits in these contracts, the standard shall be the 1971 individual annuity mortality table or any individual annuity mortality table adopted after 1980 by the national association of insurance commissioners that is approved by a rule promulgated by the commissioner for use in determining the minimum standard of valuation for such contracts, or a modification of these tables approved by the commissioner, and 7-1/2% interest.

(c) For individual annuity and pure endowment contracts issued on or after October 1, 1980, other than single premium immediate annuity contracts, excluding any disability and accidental death benefits in the contracts, the standard shall be the 1971 individual annuity mortality table or any individual annuity mortality table adopted after 1980 by the national association of insurance commissioners that is approved by a rule promulgated by the commissioner for use in determining the minimum standard of valuation for such contracts, or a modification of these tables approved by the commissioner, and 5-1/2% interest for single premium deferred annuity and pure endowment contracts, and 4-1/2% interest for all other such individual annuity and pure endowment contracts.

(d) For all annuities and pure endowments purchased before October 1, 1980, under group annuity and pure endowment contracts, excluding any disability and accidental death benefits purchased under these contracts, the standard shall be the 1971 group annuity mortality table, or a modification of these tables approved by the commissioner, and 6% interest.

(e) For all annuities and pure endowments purchased on or after October 1, 1980, under group annuity and pure endowment contracts, excluding any disability and accidental death benefits purchased under these contracts, the standard shall be the 1971 group annuity mortality table or any group annuity mortality table adopted after 1980 by the national association of insurance commissioners that is approved by a rule promulgated by the commissioner for use in determining the minimum standard of valuation for such annuities and pure endowments, or a modification of these tables approved by the commissioner, and 7-1/2% interest.

(2) After October 21, 1974, a company may file with the commissioner a written notice of its election to invoke this section after a specified date before January 1, 1981, which shall be the operative date of this section for that company. A company may elect a different operative date of this section for individual annuity and pure endowment contracts from that elected for group annuity and pure endowment contracts. If a company does not make an election, the operative date of this section for that company shall be January 1, 1981.

**History:** Add. 1974, Act 302, Imd. Eff. Oct. 21, 1974;—Am. 1980, Act 58, Eff. Oct. 1, 1980;—Am. 1982, Act 221, Imd. Eff. July 10, 1982.

**Popular name:** Act 218

**Administrative rules:** R 500.1241 of the Michigan Administrative Code.